

Barriers and solutions to include women-led businesses in public procurement

A Synthesis of Country Reports from Ethiopia, Kenya, Rwanda, Tanzania, Uganda.





Acronyms

Access to Government Procurement Opportunities [Kenya] (AGPO)	Kampala Capital City Authority [Uganda] (KCCA)	Authority [Tanzania] (PPRA)
Africa Freedom of Information Centre (AFIC)	Kenya Revenue Authority (KRA)	Rwanda Chamber of Women Entrepreneurs (RCWE)
Business Development Fund [Rwanda] (BDF)	Key informant interviews (KIIs)	Rwanda Public Procurement Authority (RPPA)
Civil society organisation (CSO)	Local Purchase Order [Kenya] (LPO)	Small and medium enterprises (SME)
Ethiopian Women's Development Fund (EWDF)	Microfinance institutions (MFIs)	Tanzania National Roads Agency (TANROAD)
Ethiopian Women Entrepreneurs' Association (EWEA)	Monitor Publications Limited [Uganda] (MPL)	Tanzania Rural and Urban Roads Agency (TARURA)
Focus group discussion (FGD)	National Economic Empowerment Council [Tanzania] (NEEC)	Uganda Investment Authority (UIA)
Food and Agriculture Organisation (FAO)	National Institute of Statistics Rwanda (NISR)	Uganda Women Entrepreneurship Programme (UWEP)
Government Procurement Services Agency [Tanzania] (GPSA)	Persons with disabilities (PWDs)	United Nations (UN)
Gross domestic product (GDP)	Procurement and Supplies Professionals and Technicians Board [Tanzania] (PSPTB)	Women Entrepreneurship Development Project [Ethiopia] (WEDP)
Gulu Contractors Association [Uganda] (GULCA)	Public Procurement and Asset Disposal Act [Kenya] (PPADA)	Women-led business (WLB)
International Fund for Agricultural Development (IFAD)	Public Procurement Information Portal [Kenya] (PIIP)	Women Participation Unit [Tanzania] (WPU)
	Public Procurement Regulatory Authority [Tanzania] (PPRA)	World Food Programme (WFP)

Executive summary

Governments spend a large amount on public procurement annually. Across Africa, approximately 15% of gross domestic product (GDP) is spent by governments procuring goods, works, and services every year¹. Some countries spend significantly more than this.

In Uganda, for instance, public sector procurement accounts for **60%** of government spending excluding wages, and **30%** of the nation's GDP². This volume of expenditure offers an opportunity for businesses, including those led by women, to benefit from engaging in government contracts.

But statistics, where available, demonstrate that women and women-led businesses (WLBs) are

under-served in their ability to access these contracts.

The report discussed the issue of women and women-led businesses (WLBs) being under-served in their ability to access public procurement contracts in Africa, despite the large amount of government spending on procurement each year.

The report synthesized research conducted in five African countries,



focusing on WLBs and their ability to compete, win, and manage public procurement bids, as well as the challenges they face in doing so.

The researchers used a working definition of WLBs and found that they tend to be small, lack access to financial capital, and engage primarily in wholesale and retail trade, consumer service, food service, and small-scale agriculture.

Additionally, data analysis revealed that WLBs are not as successful in winning contracts compared to their counterparts, and the contracts they do secure tend to have lower values.

The report also highlighted various challenges and opportunities for the involvement of WLBs in the

procurement process, such as compliance with pre-qualification guidelines, limited information on bid opportunities, corruption, and lack of transparency in the evaluation process.

Barriers to WLBs participating in public procurement included cultural and structural barriers, operational barriers, and lack of access to credit. However, there were certain support services in each country that supported the ecosystem and promoted a positive environment for ensuring the success of WLBs in gaining public procurement tenders.

The report concludes with recommendations to improve the status quo and increase opportunities for WLBs in public procurement.

¹ Simeon D. Asif I. Federica S (2016, November 7), How large is public procurement in Developing Countries, <https://www.piie.com/blogs/realtime-economic-issues-watch/how-large-public-procurement-developing-countries>

² National Public Sector Procurement Policy (2019) Uganda. <https://www.finance.go.ug/sites/default/files/Publications/Procurement%20Policy%20Book%20Final%202020-1.pdf>

01

Research process and methodology

Image Source: AFIC - Interview with the procurement officer, Gulu district



1. Research process and methodology

The purpose of the research in each country is to provide a better understanding of policies and practices that promote or exclude WLB participation in public procurement and to identify recommendations for improving the status quo. The key questions to be addressed through the research were:

- **What** are the challenges and barriers that prevent WLBs from participating in public procurement?
- **What** challenges do governments face in trying to increase procurement from WLBs?
- **What** good practices exist and have the potential for replication and scale?

The research conducted in each country focuses on the prevalence of WLBs in local markets as well as the opportunities available to WLBs to bid

for and fulfil government contracts. The study utilised mixed methods, both qualitative and quantitative.

Research in each country primarily consisted of a desk review, key informant interviews (KIIs), focus group discussions (FGDs), and a round of surveys and workshops.

KIIs facilitated discussions with key stakeholders, including heads of Procuring and Disclosing Entities, Procuring and Disclosing Units, regulators, policy makers, civil society, the private sector, and business owners purposely selected

based on their knowledge and expertise on WLB's. Focus Group Discussions (FGDs) and an online survey were conducted with women business owners to understand their understanding of policies and practices in place that promote women-led businesses' (WLB's) participation in public procurement in East Africa.

FGDs facilitated open discussions with women entrepreneurs, Men, Women, and youth. The findings from this research are discussed throughout this report.

Table 1 below presents the methodology utilised in each respective country.

Table 01: Methodological approaches taken in each country.

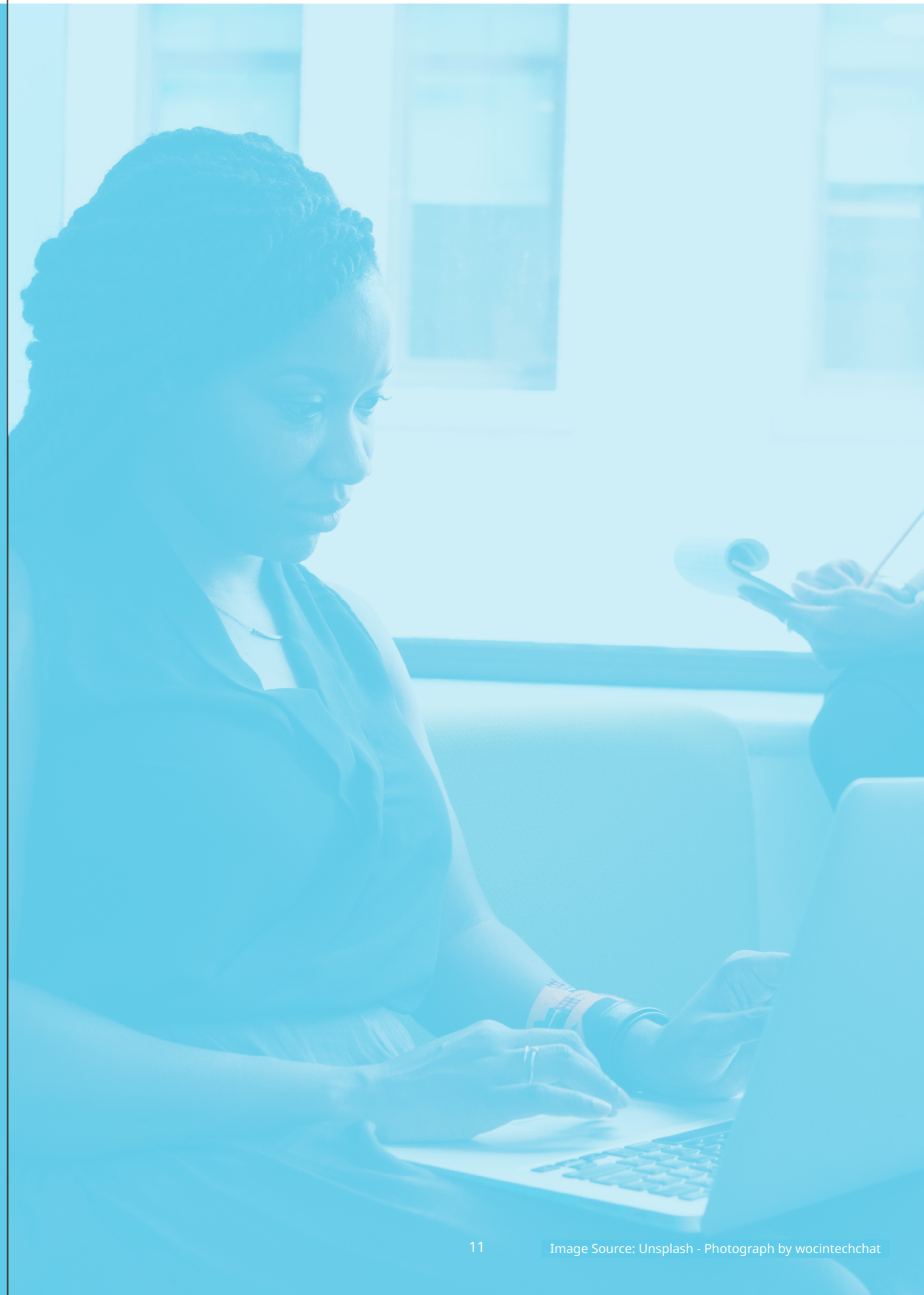
Research in each country primarily consisted of a desk review, key informant interviews (KIIs), focus group discussions (FGDs), and a round of surveys and workshops.

AFIC adopted a mixed study methodology that included stakeholders and respondents from various categories, with Male and Female respondents. However, FGDs attracted WLBs apart from a few instances where some WLBs would send in male representatives.

Country	Key informant interviews	Focus group discussions	Participants per focus group (total)	Surveys	Validation workshops/ stakeholder engagement events
Ethiopia	30	6	8 - 12 (60)	80	1
Kenya	36	10	6 - 10 (77)	280	4
Rwanda	15	4	(20)	68	1
Tanzania	20	4	5 (20)	59	1
Uganda	23	4	5 (20)	30	1

02

General characteristics of women-led businesses (WLBs)



2.1

Characteristics of WLBs

Generally speaking, “women-owned” is used in the literature and by international organisations to identify firms belonging to women and “women-led” for firms that have women in key decision-making positions (e.g. CEO, president, general manager).

In a majority of studies, the “gender” of the firm is defined based on a certain threshold of ownership, ranging from having one female owner to **51%** or more.

These definitions are focused on MSMEs since, in the case of sole proprietorships, a WLB is simply one where a woman is a sole proprietor.

These different definitions can lead to a wide range of results. For example, in the case of Kenya, **51.5%** of SMEs have at least one woman participating in ownership versus **16%** of small to medium firms with a woman as a top manager.

Ownership of a firm may not be the best way to determine the actual influence of women within a firm, and

many studies and organisations look into the management structure of firms or a combination of ownership and management.

In half of the multi-owner firms, where at least one owner is a woman, the key decision-makers are all male.

For this data collection exercise, it is proposed to use the definition of “women-led business” whereby a business meets one or more of the following criteria:

- a) $\geq 51\%$ ownership/stake by a woman/women; OR**
- b) ≥ 1 woman as CEO/COO (President/ Vice President) AND $\geq 30\%$ of the board of directors being women, where a board exists; OR**

- c) $\geq 30\%$ of senior managers are women; OR**
- d) women sole-proprietors; OR**
- e) fitting the nationally recognised definition of WLB in each country; OR**
- f) an association or collection of businesses that is constituted of 70% or more (or the nationally recognised threshold in a country) WLBs**

It should be noted that while **30%** of senior management being women is still a minority of women in senior leadership, this is an internationally recognised, standard definition.

It might also be the case that some family businesses do not have a formal ownership structure, but may be controlled by women.

For the purposes of this project, researchers were encouraged to use the parameters outlined above to ensure comparability across countries, both when trying to identify the percentage of WLBs that participate in public

procurement, and also in identifying respondents for the focus group discussions and surveys.

Although the above definition helps to characterise WLBs, the term and concept are not well defined at the national level, within the focus countries. This has led to a lack of data on women-led businesses.

Despite this challenge, the researchers were able to identify some common characteristics of WLBs. For instance, these businesses are generally concentrated in certain sectors, such as selling small items, consumer services, food service, and small-scale agriculture; WLBs tend to be small in size, with only a few employees; they are generally limited in their financial capacity due to lacking access to financial resources such as grants and loans; and a significant number operate without formal registration.

As discussed on the next page, these characteristics inhibit their ability to grow and, along with other factors, limit their ability to take part and benefit from public procurement.

2.1.1 Availability of data regarding WLBs

The variation in how WLBs are formally defined and recognized is reflected in the availability of data. In Kenya for instance, the status of a business as a WLB is determined through the Registrar of Companies, where the sex of the persons who are enlisted as the director or shareholders of the business will determine if it is a WLB or not.

But defining WLBs as such does not guarantee that the businesses are actually women-led. This was acknowledged through Executive Order 2 of 2018 in Kenya, which directed that all entities wishing to provide goods, works and services across all National and County Governments disclose Beneficial Ownership Information (BOI) online.

This is important to ensure that women are not used as proxies and that businesses are not women-led in name only.

In Uganda, Ethiopia, and Rwanda, there is no legal definition of WLBs, which poses a challenge to understanding their characteristics and their needs for having greater opportunities in public procurement contracting, because national data does not exist.

In Tanzania, there is a classification of special groups and equally, the definition of these special groups is unknown so its difficult to reach them as well. The tender end up going to well resourced WLBs.

External reports, such as the Women Entrepreneurs and Access to Finance Program Profiles from Around the World³ the World Bank's Tanzania Mainland Poverty Assessment⁴ offer external and independent figures on the characteristics of WLBs in Kenya and Tanzania, respectively.

The Establishment Census from the National Institute of Statistics Rwanda (NISR) provides information on economic activities, disaggregating for business size and formality, but it does not document the gender of business leaders.

Similarly, as women-led businesses are not properly defined and recognized in Ethiopia and Uganda, no such aggregate reports on the state of WLBs exist.

³ World Bank, (2020), Mainland Poverty Assessment: Part 1- Path to poverty reduction and pro-poor growth.

⁴ Women Entrepreneurs and access to Finance, Tanzania. <https://documents1.worldbank.org/curated/en/434111484644430498/pdf/112118-WP-Women-Entrepreneurs-and-Access-to-Finance.pdf>



Image Source: AFIC - Inspecting a toilet facility constructed by a woman led business in Gulu district.

2.1.2 Prevalence and operations

Tanzania and Kenya have the highest estimated percentage of businesses that are women-led, **48.1%**⁵ and **48%**⁶ respectively, this is followed by Uganda (**38.2%**)⁷, Rwanda (**37.6%**), and Ethiopia (**36.2%**).

In terms of their characteristics, WLBS tend to have existed for only a couple of years and are limited to only a few employees.

For instance, the majority of Kenyan, Ugandan, and Tanzanian WLBS have less than five employees and this is between 1-3 employees among WLBS in Rwanda.

In terms of the number of years in operation, WLBS tend to only have existed for a couple of years: for instance, of Ethiopian WLBS identified in the research, **86%** have existed for less than 5 years.

Owing to the small size of WLBS and having been established for only a few years, they have limited financial

capacity and access to credit. In Kenya, WLBS' average annual turnover is estimated to be less than USD 10,000, only **7%** have access to formal credit, and **1%** own land in Tanzania.

Similarly, **85%** of Ethiopian and **87%** of Rwandan WLBS have an annual financial turnover of less than USD 10,000.

These WLBS engage primarily in trade, consumer service, food service, and small-scale agriculture.

As profitable contracts are generally awarded to larger and well-resourced businesses, these characteristics limit the development of WLBS and their ability to successfully compete for public procurement contracts.

Image Source: AFIC - FGD with women owned businesses under Gulu Association of Contractors in Gulu



⁵ World Bank, (2020), Mainland Poverty Assessment: Part 1- Path to poverty reduction and pro-poor growth.

⁶ Women Entrepreneurs and access to Finance, Tanzania. <https://documents1.worldbank.org/curated/en/434111484644430498/pdf/112118-WP-Women-Entrepreneurs-and-Access-to-Finance.pdf>

⁷ Mugabi, Enock (2014), Womens entrepreneurship development in Uganda: insights and recommendations international labour office – Geneva.

2.1.3

Formalisation of WLBs

Although not necessarily a majority, a significant number of WLBs tend to be informal, or operate without being legally registered.

For instance, in Uganda, **44%** of WLBs are formally registered⁸, and this figure is **51%** in Tanzania. In Kenya, it was found that perceived high tax obligations and a cumbersome process of filing taxes disincentivise business formalisation.

For WLBs that are formally registered, meaning they are eligible for public contracts, there are additional challenges in competing for these contracts based on the majority of WLBs being located in urban environments.

For instance, in Uganda, most formalised WLBs are located in the urban centres of Kampala or Wakiso. In Rwanda, **91%** of registered WLBs operate in urban areas, based on those that participated in the research.

Although urban settings may offer more procurement opportunities in the aggregate, they face stiff competition from many other well-developed non-women-led businesses, thus reducing their chances of success.

⁸ Mugabi, Enock (2014)



Image Source: AFIC

Table 02:
Percentage of firms that are women-led and percentage of public contracts going to WLBs

Country	Percentage of firms that are women-led	Percentage of public contracts to WLBs
Ethiopia	36.2	Not Applicable
Kenya	48.0	Not Applicable
Rwanda	37.6	11
Tanzania	48.1	Not Applicable
Uganda	38.2	1

2.2 Presence and nature of WLBs in public procurement

As discussed in Section 2.1, the characteristics of WLBs prevent them from actively taking part in public procurement. This section discusses the presence and nature of WLBs in public procurement.

Similar to the characteristics of WLBs, a lack of data makes it difficult to understand the prevalence of WLBs in public procurement contracts.

For instance, there is no official data on the percentage and value of government contracts awarded to WLBs in Ethiopia. In principle, digitised/e-procurement systems should be able to make data collection and disaggregation easier, but this has not necessarily led to improved data.

In Tanzania, the government has managed to move to the online e-procurement system, TANePS⁹, but challenges remain in terms of disaggregating the registration and contract award data to indicate

the number of WLBs participating in public procurement bids. This has been attributed to a lack of gender-disaggregated data in the system and a lack of awareness and understanding among procurement officials and contractors on the need to disaggregate data by gender. Without such data, it becomes difficult to track the participation of WLBs in public procurement bids.

Similarly, the Rwanda Public Procurement Authority (RPPA) does not collect any gender-disaggregated data, making it difficult to understand statistics regarding women-led businesses' participation in public procurement contracts.

Findings from the key informant interviews in Tanzania show that, in searching for procurement opportunities, the majority of WLBs search for cleaning and maintenance opportunities, catering, and the making and supply of clothing items such as uniforms and personal protective equipment.

Similarly, Ethiopian WLBs that have taken part in public procurement usually engage in customer services, small-scale agriculture and food service. These small-scale contracts limit their profitability even when WLBs do win such contracts. For instance, a 2017 study by the UN Women and Public Procurement and Disposal of Public Assets Authority (PPDA) in Uganda shows that contracts going to WLBs supply only **1%** of the market¹⁰.

The Rwanda National Gender Policy of February 2021¹¹ finds that, out of 161 randomly selected tenders in 2016-2017, women-owned businesses won **11%** of bids and that represents **4%** of the monetary value of all bids.

In Kenya, the Access to Government Procurement Opportunities (AGPO) was developed as a legal framework to ensure public procurement tendering opportunities to women, youth, and persons with disabilities (PWDs).

However, according to the Kenyan Public Procurement Information Portal¹², for the fiscal year 2021/22, 7447 contracts were awarded, totalling Ksh. **590 million**, of which, contracts valuing Ksh. **7.4 million** were awarded to businesses classified under AGPO. This equates to **1.3%** of the total contract value.

By proportion of tenders awarded within AGPO, women won at least **50%** of the value, youth **44%** and PWDs got **6%**. However, **50%** of the AGPO funding to WLBs was lost due to unfulfilled budgets – where funding was allocated but not released.

⁹ <https://www.taneps.go.tz/epps/home.do>

¹⁰ PPDA, UN Women, (2017)

¹¹ https://www.migeprof.gov.rw/fileadmin/user_upload/Migeprof/Publications/Guidelines/Revised_National_Gender_Policy-2021.pdf

¹² <https://www.tenders.go.ke/>

2.3 Relevant legal frameworks

As with the definitions of WLBs in the countries researched, laws differ in terms of creating a legal environment that promotes WLB involvement in public procurement. Kenya, Tanzania, and Uganda each have reservation schemes, which are meant to ensure that a certain percentage of public procurement contracts go to businesses led by special interest groups, such as youth, PWDs, and women.

On the other hand, Ethiopia and Rwanda do not have legal definitions of WLBs and therefore lack a foundation for establishing laws promoting WLB access to public procurement contracts.

Despite Ethiopia and Rwanda not having a legal definition of WLBs, there has been some political support and certain steps towards developing such provisions. The Ethiopian Public Procurement Proclamation, which is under the Principles of Public Procurement and Property Administration, includes a clause on

non-discrimination. The proclamation prohibits discrimination in public procurement based on nationality or any other criteria, including gender. Beyond a non-discrimination framework, the Government of Ethiopia has also been working with UN Women to revise the public procurement proclamation to develop a procurement law that would enable Ethiopia's women-led businesses to compete and win more tenders contributing to their economic participation¹³. A draft proclamation is expected to be ready in 2023.

The main legal framework regulating public procurement in Rwanda is Law No 62/2018¹⁴, which took effect in August 2018. The law regulates planning, procurement undertaking, and contract management at all levels of government.

Although meant to make public procurement more efficient and fairer, this legal framework does not explicitly mention gender. The SME Business Guide, which was published by the Rwanda Development Board (RDB) has provided information on financial products catered to women entrepreneurs, but there is still no acknowledgement of gender in Rwanda's legal framework, thereby limiting any legal effects that it may have on offering women greater opportunity in procurement contracting.

Tanzania, Uganda, and Kenya do have legal frameworks that are meant to encourage women's participation in public procurement, but the effectiveness of these frameworks

varies due to structural and operational reasons. In Tanzania, Section 64 (2) (C) of the Public Procurement Act and Section 21 of the PPA (Amendment) 2016 mandate procuring entities to grant an exclusive preference of **30%** in their annual procurement of goods, works, and services, to special groups, identified as women, youth, and PWDs. Additionally, The Guideline for Participation of Special Groups in Public Procurement¹⁵ breaks down the allocation to **10%** to youth, **10%** to people with disabilities, **5%** to women, and **5%** to the elderly.

Despite these legal frameworks, there is still a low awareness amongst businesses and some government officials of how the scheme works and how members of the special groups can engage have led to low levels of engagement. Only 144 special groups had been registered by May 2022.

This includes; 55 women groups, 11 elderly groups, 3 persons with disabilities groups, and 75 youth.

¹³ Misrka Tamiru, (2014), Gender responsive public procurement in Ethiopia, <https://www.empowerwomen.org/en/community/discussions/2014/4/gender-responsive-public-procurement-in-ethiopia>

¹⁴ Official Gazette no. Special of 07/09/2018 Rwanda, <https://www.rppa.gov.rw/index.php?eID=dumpFile&t=f&f=34223&token=03b1e40242e5b9986bf6783ccc70081410c4f5d1>

¹⁵ Guideline for Participation of Special Groups in Public Procurement (May, 2020)

The Ugandan Public Procurement and Disposal of Public Assets Authority (PPDA) are mandated to ensure the application of fair, competitive, transparent, non-discriminatory procurement and disposal standards and practices, which aim to ensure good value for money.

Reservation schemes for special interest groups also exist within the PPDA Act in Sections 43, 44 and 97¹⁶. Although the legal framework mentions women as a special interest group to be considered in procurement, the law is not explicit on how their participation in public procurement will be tracked. The Regulations of the PPDA Act are yet to be concluded and therefore the provisions of the Act on special interest groups can not be implemented.

For instance, there is no specific threshold on how much of the total entity or national annual budgeted contracts should go to women. The Ugandan legal framework, therefore, falls short of providing a mechanism for ensuring greater participation of WLBs in public procurement contracting. The legal framework around

ensuring access for women in public procurement opportunities is more robust in Kenya. Article 227 of Kenya's Constitution 2010 stipulates that there needs to be fair, equitable, transparent, and cost-effective public procurement of goods and services.

The Article stipulates that **30%** of public contracts should go to organisations led by women, youth, and persons with disabilities (PWDs) as registered under the Access to Government Procurement Opportunities (AGPO) scheme.

Additionally, Legal Notice No. 114 of the Public Procurement and Disposal Act (No. 3) of 2005 and the amended regulations of 2013, mandate that procuring entities are required to allocate at least **30%** of its procurement spend for the purposes of procuring goods, works, and services from micro and small enterprises owned by youth, women, and PWDs. WLBs, whether small, medium or large qualify for AGPO, but must be formally registered. The legal reservation for special interest groups seems like a positive step, but, as noted above, the number of contracts awarded to businesses

classified under AGPO fell woefully short of the intended **30%** laid out in AGPO.

The Public Procurement and Asset Disposal Regulations (2016) for the PPADA Act (No. 33) of 2015, Part III spells out Kenya's government responsibilities with respect to the Public Procurement and Asset Disposal Act (PPADA). The revised PPADA Guideline of 2020 presents the community participation methods in accessing government procurement opportunities.

The law states that a procuring entity may involve a beneficiary community to participate in the delivery of services if it is established. This alternative window forms an entry point for WLBs to participate in public sector procurements and bid as collectives and community development groups.

An analysis of the legal frameworks pertaining to involving women and WLBs in the procurement process demonstrates a wide variation in the development of such frameworks.

Ethiopia and Rwanda do not have legal definitions of WLBs and therefore lack laws promoting WLB access to public procurement contracts. In Uganda, the legal framework mentions women as a special interest group to be considered in procurement, but there are no deliberate efforts to include women in procurement.

Kenya reserves **30%** of public contracts for businesses of youth, women, and PWDs through AGPO. But challenges in this system have prevented substantial involvement of WLBs.

Tanzania has a similar **30%** quota, but the uptake has been even less than in Kenya. Laws pertaining to the inclusion of women in public procurement, therefore, need to be further developed, and especially implemented.

¹⁶ Public Procurement and Asset Disposal Act, 2003 (as amended), Uganda. <https://www.ppda.go.ug/ppda-amendment-act-2021/>

03

Procurement process



3.

Procurement process

As mentioned in the executive summary, governments spend a large amount on public procurement annually. Approximately **15%** of the annual African Gross Domestic Product (GDP) is spent by governments on goods, works, and services.

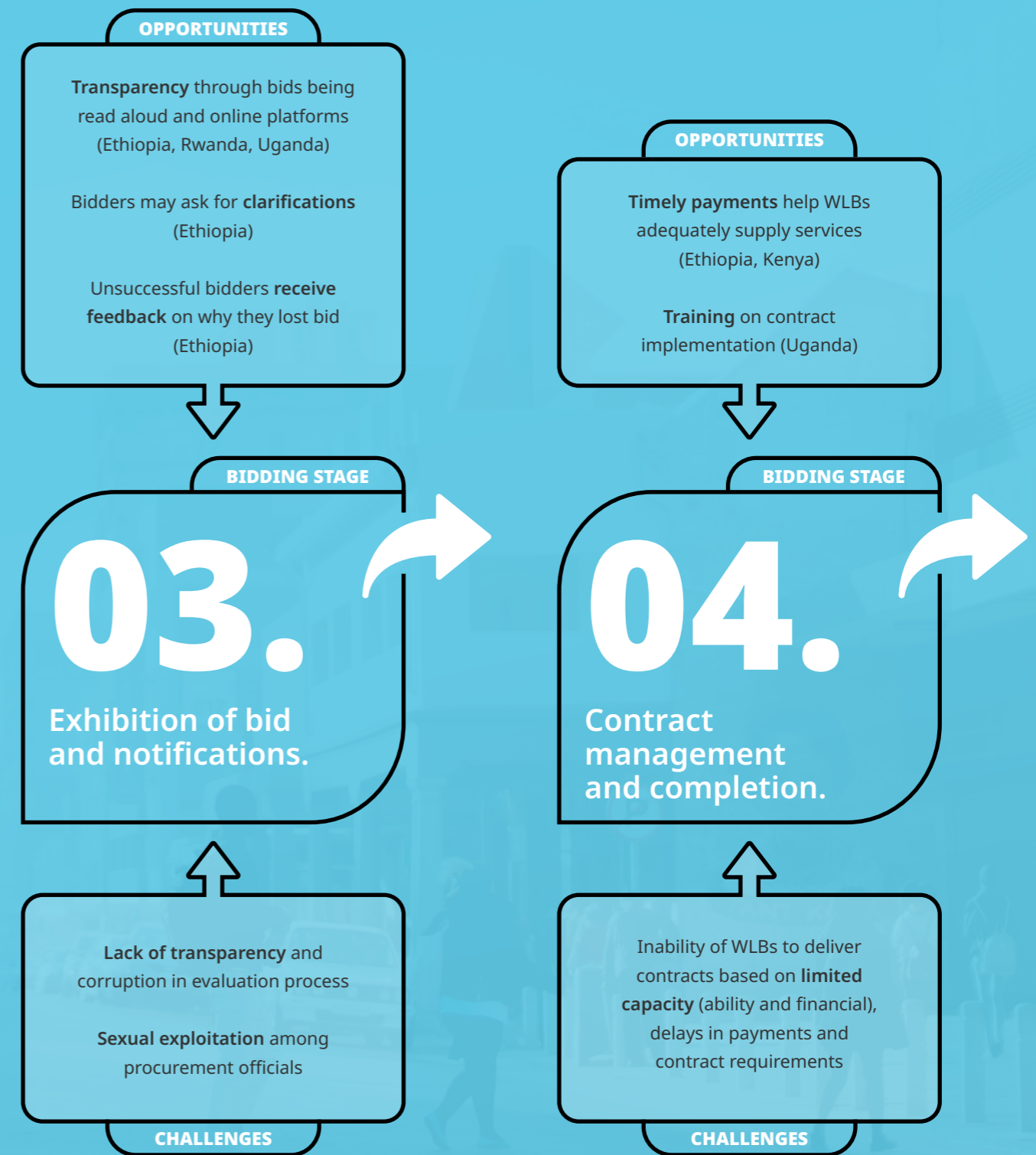
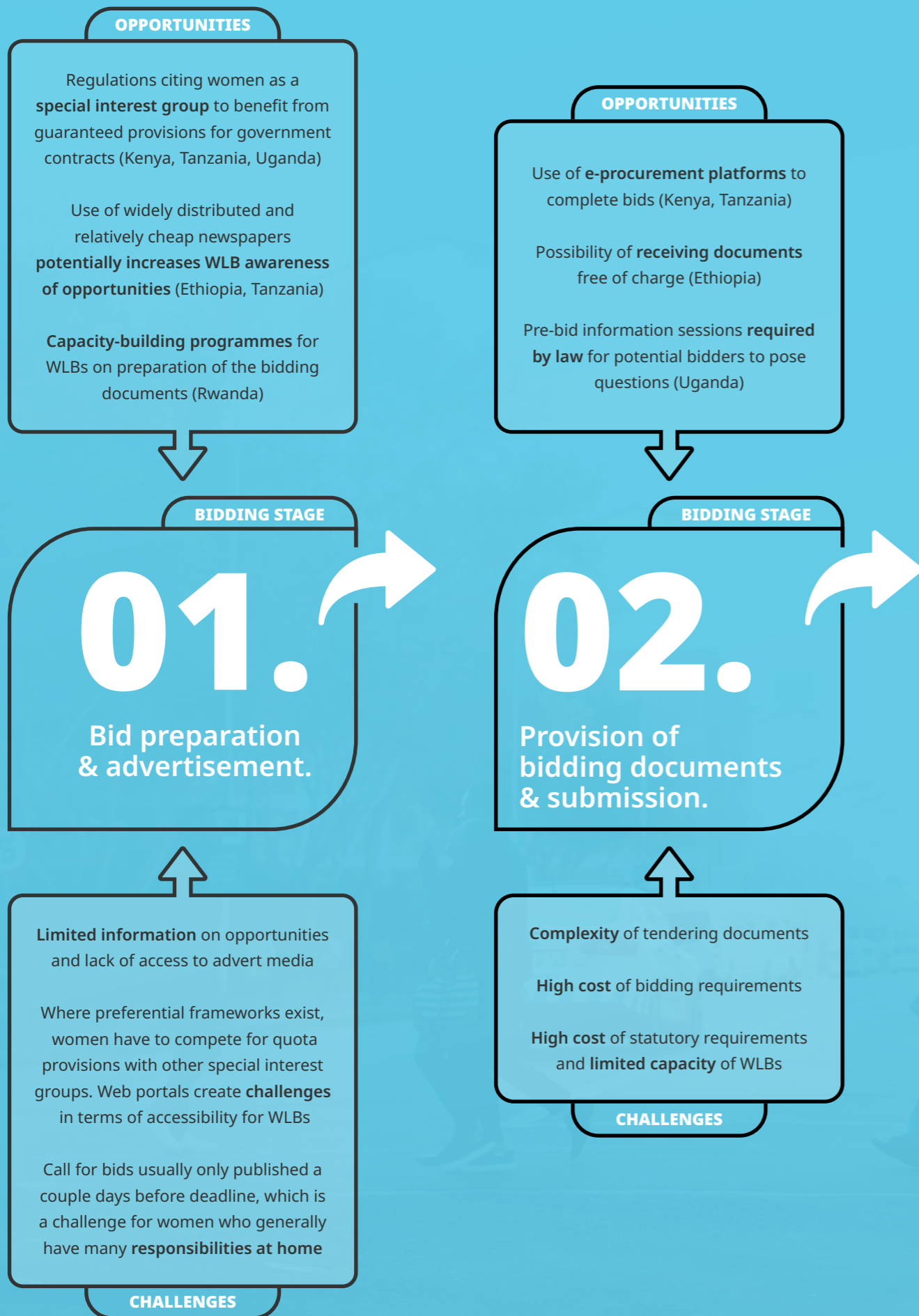
Public procurement, therefore, offers substantial business opportunities for businesses in Africa, including WLBs. Broadly speaking, the stages of any procurement process include bid preparation and advertisement; provision and submission of bidding documents; evaluation of bids and notification; contract management and completion.

Each of these stages presents challenges and opportunities for the involvement of WLBs. It is therefore important to consider how the mechanisms at each stage of the process are developed and implemented so as to not unintentionally disadvantage WLBs/ to take into consideration the specific needs and preferences of WLBs.



Image Source: Unsplash - Photograph by Becks





04

Challenges faced by governments in increasing WLBs participation

Image Source: AFIC - A WLB visiting a material collection site, she is upgrading a local road in Gulu



4. Challenges faced by governments in increasing WLBs participation

Governments face a number of challenges in trying to increase the participation of WLBs in public procurement.

For instance, although the legal and policy framework in Uganda mentions women as a special interest group to be considered in procurement, the law is not explicit on how their participation in public procurement will be tracked and there are no deliberate efforts to include women in procurement, in terms of a specific threshold on how much of the total entity or national annual budgeted contracts should go to women and measures to increase women in procurement.

This has been affected by a lack of statistical national data on how many Women Led Businesses exist, their capacities and areas of specialization.

Eventually, lack of deliberate efforts to involve women in procurement makes it very difficult to measure the impact of government procurements across the various special interest groups such as women. Further still, there are weak policies on conflict of interest, monitoring of public ownership of businesses, leadership, and assets of public officials.

Results from the study indicate that in Uganda, the government civil service standing orders¹⁷ do not deter a public official from operating a business, a company, or engaging in procurement as long as they do not operate in the same entity where they serve.

This often gives male public officials room¹⁸ to register businesses in their female relatives' names to win businesses and not necessarily increase women's participation in public procurement.

In Tanzania, the Government has put in place a women participation unit particularly in the Ministry works as part of the efforts to increase participation and skills development for women in various works projects.

The unit works to provide training to women across the country, especially on how to access road works opportunities in coordination with other agencies. Whereas this is so, and noticing the extensive nature of road works across the country, the main area of focus has been on labor-based technology as it is the area that can cover a number of women regardless of education level.

In Kenya, despite the AGPO provisions, the government has not successfully boarded many women in public procurement, there is a larger proportion of WLBs with a potential but have not been engaged in AGPO.

This challenge has necessitated procurement entities that are unable to

get adequate AGPO bids to revert them to the open tenders. Tenders in Kenya are highly politicized and WLBs chances of benefiting are enhanced if they are or have a political affiliation.

One of KII estimated the participation of women in tender at just 20% by the population of women-led businesses. Whereas the County Government has sought to ring-fence the tenders by stipulating that 40% of all the tenders be local, they are unable to meet this and therefore opportunities would be taken by people from other places, especially large urban areas.

At preparation, the entry point to the procurement process, most women do not prepare bids or for that bid they do not do winning bidding. As much as the bids are affirmative action, women must compete with the youth and persons living with disability under the AGPO.

This competitive nature of women eliminates them at the early stages of AGPO. On aggregate, based on the general population of Women and the WLB, the participation in government is quite low.

¹⁷⁻¹⁸ "Most women do not actually lead these businesses, it's the men who lead them and are the ones who have the largest control and take the largest share and income from the company. Women will rarely make decisions in such businesses, the women lead by proxy" KII Respondent, Public Official, Uganda.

05

Barriers faced by women and WLBs

Image Source: AFIC - A WLB visiting a material collection site, she is upgrading a local road in Gulu



5. Barriers faced by women and WLBs

Women and WLBs face a number of barriers to successfully participate in public procurement. These broadly fall into two categories: cultural and structural barriers and operational barriers. Cultural and structural barriers across the five countries have to do with gender norms and expectations as well as corruption among procurement officials.

Women have to take care of household duties, such as caring for children and managing household chores.

Pervasive corruption in public procurement also leads to WLBs being excluded from opportunities.

Additionally, the research shows that women are often the target of sexual exploitation in the pursuit of gaining procurement bids.

The operational barriers faced by WLBs have to do with there not being able to secure enough capital to bid for procurement tenders, lack of

formalisation, delayed payments, and complicated procurement contracting processes.

“Even the pre-bid meetings are held occasionally in most local governments. The level of malice within Local Governments for providers is very high, they even pluck off some papers from your bids to make you lose. When you win the contract, they never supervise or provide feedback, most often contracts are terminated on non-official or genuine reasons”

- KII, Private Sector Leader, Uganda.



Image Source: AFIC - A WLB visiting a material collection site, she is upgrading a local road in Gulu

“Deadline for submission of bids is usually morning hours, does not consider that women have gender responsibilities to attend to, sometimes we end up arriving late, it is painful when they do not accept our bids, affirmative action should be applicable in such situations”

- FGD Respondents,
Local Government, Uganda.

“I travelled from Gulu at a terrible speed in the early morning hours, to submit a bid in Katakwi. I could not travel the day before because I had a sick child. I was only five minutes late, I could not be allowed to submit my bid”

- FGD Respondent, WLB Uganda.

Cultural and structural barriers

5.1.1 Gender norms and expectations

Gender norms and expectations, such as caring for the family and household chores, limit the time women can devote to their businesses, which in turn limits the growth capabilities of these businesses and affects the possibility for them to participate in public procurement bids.

Survey and key informant interview (KII) responses from the study indicates that gender norms and assigned roles constrain the time women can devote to their businesses, particularly small-scale WLBs and thereby affect the possibility for them to participate and win public procurement contracts compared to other businesses.

Women who took part in the research in Rwanda expressed that gender norms and gendered roles have a substantial impact on women's participation in entrepreneurship

and public procurement. Gender-assigned roles in Rwanda include care responsibility that is often unpaid: childcare, domestic work, and care for the sick and the elderly among others.

Additionally, in Uganda, women interviewed expressed cultural and structural barriers associated with bid preparation and submission compliance.

Bids are often expected to be submitted in person in the mornings; this is challenging for women, who are expected to be fulfilling other care



Image Source: Pexels - Photograph by William Fortunato

responsibilities during these hours. For example, findings from Tanzania reveal that more than **80%** of women business owners are between **26 to 40** years old, when time and energy are demanded for multiple social and cultural priorities, aside from running a business.

The Tanzania Household Budget Survey shows that women between the ages **25 to 34** years old spend most of their time (**5.4 hours per day**) on unpaid care activities, such as household duties, while men of the same age group spend most of

their time (**5.2 hours per day**) on employment-related activities¹⁹.

This disparity in the expectations of men and women and the time that they can dedicate to working outside of the home means businesses that are women-led are fundamentally disadvantaged in terms of their potential to develop and successfully deliver public procurement contracts.

¹⁹ House Hold Budget surveys, (2018) Tanzania. <https://www.nbs.go.tz/index.php/en/census-surveys/poverty-indicators-statistics/household-budget-survey-hbs>

5.1.2 Corruption and discrimination

Corruption and the processes through which bids are allocated also pose a barrier to WLBs participating in public procurement. Research from Kenya finds that most business networks, where procurement contracts are discussed, are male-dominated and decisions on who will be awarded contracts are often made outside typical working areas, such as bars, and golf courses, and via text/chat groups, where women are not present.

During the focus group discussions, corruption was identified as a threat to women participating in public procurement.

WLB representatives who participated in the research widely expressed dissatisfaction with the procurement process based on corruption.

For instance, about **89%** of Kenyan WLB respondents acknowledged the payment of bribes to win contracts. Among Ethiopian WLBs that were part of the research and had previously

managed to participate in at least one public procurement bid, **72%** rated their experience as 'dissatisfied'. Of the reasons for dissatisfaction, corruption was mentioned by **98%** of respondents.

According to the Tanzanian Controller and Auditor General report from 2019/2020, contracts worth USD **491.5 million** in public procurement had some corruption red flags, this was **3.7%** of the planned public procurement budget for that year²⁰.



Image Source: AFIC - Bundles of unopened bids in Gulu

In the research conducted for this report, we discovered that in Tanzania **13** out of the **23** respondents who had won a government contract admitted that they had to give a certain percentage of the awarded contract in order to win the tenders.

The research, therefore, demonstrates that corruption is a large barrier to efficient public procurement and prevents WLBs from equally benefiting from public procurement contracting opportunities.

“I have submitted tenders to various county departments. I have been bidding since 2017 but later end up in vain by just being locked out at the shortlisting stage. My other bids never

reached this shortlisting stage. The major challenge we face is the corruption at almost every level of procurement process. The County Procurement officials insist and negotiate on a proportion of the tender value. The second major challenge is the self-interest among the county officers, the give tenders to their close relatives including, wives, sisters, mothers, and cousins.”

- Excerpt from Non-successful bidders FGD in Kisumu

“If you go Rome behave like them”

- Excerpt from Successful bidders FGD in Kisumu

²⁰ Current financial accountability trends, (2021), Tanzania. <https://www.policyforum-tz.org/news/2021-05-13/20192020-cags-report-current-financial-accountability-trends-tanzania>

5.1.3 Sexual exploitation and discrimination

Women are also vulnerable to sexual extortion in the procurement system. Close to **12%** of the general survey participants in Ethiopia have an acquaintance who had been coerced or pressured to provide sexual favours and nearly **6%** of participants claim to have experienced pressures to perform sexual acts themselves.

Similarly, WLBs that took part in the research in Kenya, Rwanda and Uganda pointed to the existence of sexual exploitation in the tender process.

In Kenya, **42%** of surveyed WLBs indicated being coerced or pressured to provide sexual or other favours to win contracts. The prevalence of sexual exploitation is a fundamental abuse of power and reflects the culture of impunity that these officials work in.

“It is cheaper to give sex than money. Two minutes of sex do not kill, I can sacrifice two minutes to

get five hundred million.

- Respondent, FGD, Uganda.

Sexual exploitation mostly happens with young women but the 10% stands because it is part of system

- Excerpt from Successful bidders FGD in Kisumu

It not only harms victims but also deters other women from pursuing procurement opportunities for fear of being violated, thereby lowering the involvement of women in public procurement contracting opportunities.



Image Source: Unsplash - Photograph by Tewodros Getnet

Table 03:
Percentage of participants coerced

Country	Percentage of participants coerced
Ethiopia	6.0%
Kenya	42.0%
Rwanda	10%
Tanzania	11.1%
Uganda	18%

Operational barriers

5.2.1

Access to finance

Access to finance is a major operational barrier for WLBs seeking to participate in public procurement. This is particularly challenging for micro, small, and medium enterprises, which make up the majority of WLBs.

These businesses are often denied credit facilities due to their small size, leaving them without sufficient capital for required bid guarantees.

In Ethiopia, for example, most women entrepreneurs fall into a 'missing middle' trap, where they cannot access finance from commercial banks because they are too small, nor from micro-finance institutions (MFIs) because they are too large²¹.

A survey conducted among Ethiopian WLBs revealed that **90%** cited difficulty accessing finances and loans as the reason why they do not participate in government contracts.

Similarly, in Tanzania, **75%** of WLBs reported that they needed credit or

loans to fulfil government contracts. In Kenya, due partly to limited capital, when WLBs do engage in public procurement, they end up taking small-scale tenders that are not very profitable.

“I made a loss because of paying interest to the bank after a delayed payment. Sometimes we have to sell the property to cater for the loss incurred during the execution of these contracts”

- FGD Respondent, Central Region, Uganda.

Due to limited access to formal financing, WLBs often rely on informal sources such as loan sharks, who charge exorbitant interest rates and

can harass business owners in case of delays in repayment.

This lack of access to financial credit hinders the growth of WLBs and makes it difficult for them to take part in profitable procurement contracts, leaving them vulnerable to dangerous borrowing practices

Moreover, delays in payment are a common problem in public procurement, which further disadvantages WLBs, who often operate at a smaller capacity. Respondents from all the focus countries expressed dissatisfaction with delayed payments even after work or services have been completed, with WLBs in Uganda citing this as a reason to not engage in public procurement.

The Tanzanian Public Procurement Regulatory Authority (PPRA) found that the processing of tenders and found that the actual time taken to process tenders was longer than the time stipulated or expected for processing.

The delays ranged from **1.05** to **1.50** times the stipulated time, which means

that the processing time was between **5%** to **50%** longer than what was expected.

With limited capital and delays in procurement, most women-led businesses are at a disadvantage when competing with larger businesses that have more resources to withstand payment delays.

To address these challenges, there is a need for increased access to financing for WLBs, particularly in the form of credit facilities that cater to the specific needs of these businesses.

Governments and development partners can also help to mitigate the problem of delayed payments by instituting policies and mechanisms that ensure timely payment of procurement contracts to WLBs.

By overcoming these operational barriers, WLBs can more effectively participate in public procurement and contribute to the growth and development of their respective economies.

²¹ World Bank, (June, 2019) Financing Women entrepreneurs in Ethiopia, The Women Entrepreneurship Development Project (WEDP). <https://www.worldbank.org/en/results/2016/07/21/financing-women-entrepreneurs-in-ethiopia-the-women-entrepreneurship-development-project-wedp>

Operational barriers

5.2.2 Formalisation

WLBs, particularly small-scale enterprises face various challenges when it comes to formalisation, including tax burdens, complicated bureaucratic processes, lack of awareness, and lack of capital. This formalisation process comes with a cost, which may be prohibitive for small enterprises, including many WLBs.

It is also worth noting that the specific challenges faced by WLBs during the formalisation process may vary depending on their country of operation, industry, and other factors.

For instance, in Kenya, many WLBs do not qualify under the Access to Government Procurement Opportunities (AGPO) provision because they operate informally. In Uganda, a significant number of WLBs are informal and lack registration, making it difficult for them to access government procurement contracts.

The informal sector accounts for **80%** of all employment opportunities in

Uganda, with a large proportion of these businesses being women-led. The lack of formalisation also limits their access to financial services and other business development opportunities.

Formalisation barriers for WLBs not only restrict their access to government procurement contracts but also limit their overall business development opportunities.

Therefore, it is important to address the factors that discourage WLBs from formalising their businesses and to provide them with support to navigate the formalisation process.



Image Source: AFIC - Women owned business in Mbale, Focus Group Discussion

“Government is just getting started, there are many WLBs but most of them are informal, data is not gathered by Government because they don’t engage formally because of the cost of doing business.

I know some WLBs that have stopped bidding because of the high cost by UNBS on standards. Others end up using formal companies ignoring their own because of costs. The cost of supplying is also high. In the construction sector, it

is less than 20% of the consulting firms engaging. Most firms are male dominated. The engineering field is very demanding for women, yet they are expected to deliver all round.

Most women do not make it to their expectations. Women have been found to be trust worthy, so if more are engaged, corruption would be addressed”

- KII, Private Sector Leader, Uganda.

Operational barriers

5.2.3 Complexity of the Bidding process

Access to finance and formalisation of businesses are not the only barriers preventing WLBs from participating in public procurement. Another operational barrier that affects their participation is the complex bidding process.

The procedures involved in bidding for government contracts are often burdensome, time-consuming, and costly, which can discourage new businesses, including WLBs, from participating.

For instance, in Kenya, the technical requirements of bidding for contracts, such as the annual renewal of the National Construction Authority and the need to file Value Added Taxes, were found to be cumbersome and costly for MSMEs, including WLBs.

In Ethiopia, **70%** of WLBs expressed challenges in meeting the necessary tender requirements.

Beyond the technical requirements, WLBs are also excluded from the bidding process due to perceived nepotism and cronyism, where well-connected and networked entrepreneurs are often pre-assigned tenders. In Uganda, the research found that procurement officers or political leaders have direct or indirect relationships with beneficiaries who are awarded contracts, thereby excluding WLBs from participating.

In Rwanda, WLB representatives expressed a lack of transparency and fairness in the tender allocation process, which disincentivises them from participating.

Although e-procurement systems have been lauded for promoting transparency and efficiency in the procurement process, they can also pose a significant barrier to WLBs particularly the small-scale/informal enterprises which make up a majority of the WLBs.

Research has found that many of them lack the technical capacity and internet access to navigate these systems, hence locking them out of the procurement process.



06

Supporting ecosystem



6. Supporting ecosystem

The lack of a supportive ecosystem has been identified as a significant operational barrier for Women-Led Businesses (WLBs) in participating in public procurement. A supporting ecosystem refers to the network of organizations, policies, and services that provide support to businesses, including access to finance, training, mentoring, networks, and infrastructure.

While a supportive ecosystem can help WLBs overcome barriers to participation in public procurement, the absence of necessary tools, networks, and resources can hinder their ability to participate successfully.

The study identified ways in which the lack of a supporting ecosystem acts as a barrier for WLBs in participating in public procurement:

1. Limited access to finance: Most of the WLBs face challenges in accessing finance to invest in the necessary resources to participate in public procurement. This can include funding for staff, equipment, software, and training.

2. Lack of mentoring and training: Most of the WLBs also face challenges in accessing mentoring and training programs that can help them develop the necessary skills and knowledge to participate in public procurement effectively.

3. Limited networks: Most WLBs, particularly small-scale enterprises which make up the majority of the WLBs do not have the same access to networks as other businesses, which can make it difficult for them to build relationships with key stakeholders in the public procurement process.

4. Gender Bias: Gender bias also plays a role in the supporting ecosystem, as some decision-makers have unconscious biases that lead them to overlook or undervalue WLBs. This can result in WLBs receiving fewer opportunities for funding, training, or mentoring support.

In some cases, the lack of an enabling environment has perpetuated gender inequalities and reinforced discriminatory norms and practices, including the belief that women lack the necessary skills or experience to participate in public procurement.

5. Limited infrastructure: Most of the WLBs also face challenges in accessing infrastructure such as affordable office space, high-speed internet, and other resources that are necessary to participate in public procurement.

6. Limited Access to Procurement Information: Most WLBs often face challenges in accessing information

about procurement opportunities, navigating complex procurement processes, and securing the resources necessary to prepare bids.

Without support, these challenges can prevent WLBs from participating in public procurement, acting as a barrier to entry.

In some cases, the lack of an enabling environment has perpetuated gender inequalities and reinforced discriminatory norms and practices, including the belief that women lack the necessary skills or experience to participate in public procurement.

The failure of governments to recognize the potential of supporting WLBs and creating an enabling environment for them to thrive perpetuates this problem.

These barriers have made it difficult for WLBs to prepare competitive bids and navigate the procurement process effectively.

6.1

Women's business associations

All five focus countries - Ethiopia, Rwanda, Tanzania, Uganda, and Kenya - have women's business associations that offer various services to women-led businesses. These services generally include business development training, funding opportunities training, advocacy and legal services, and positive networking opportunities.

However, these associations are limited by their resources and often do not focus on public procurement opportunities, which reduces their practical effectiveness in promoting the potential of women-led businesses in public procurement.

In Ethiopia, Rwanda, and Uganda, large women's business associations exist, and they offer training to women-led businesses. For example, the Ethiopian Women Entrepreneurs' Association (EWEA) provides capacity-building training to women-led businesses.

The Rwanda Chamber of Women

Entrepreneurs (RCWE), an umbrella organization under the Private Sector Federation (PSF), aims to improve the socio-economic status of women entrepreneurs. The Women Entrepreneurs Association Ltd (UWEAL) in Uganda focuses on improving access to financial services for women and equipping them with skills for enterprise growth, value addition, and marketing of their products and services.

Apart from providing business growth services, the associations also engage in advocacy and legal services for women-led businesses. For instance,

the Ethiopian Women Entrepreneurs' Association directs women-led businesses to legal aid services and intervenes on their behalf in conflicts with local governments. The Institution of Engineers Tanzania-Women Chapter and the Tanzania Women Contractors Association (TWCA) advocate for increased women's participation in government contracts.

Despite the positive work of these associations, their impact is limited, especially in the area of public procurement. Although some of these associations have large membership numbers, research has shown that their

direct impact on the capacity of women in business is limited.

Many members are not active, and the associations face resource and sustainability constraints. To be effective, the associations need adequate finances, qualified workers, and resources for continuous staff training.

Additionally, women's business networks do not usually focus on public procurement, which further limits their practical effectiveness in promoting women-led businesses' strength in public procurement.

Example of a successful WLB association:

Trans Nzoia County, Kenya

In Kenya, a significant number of women business owners belong to a collective group where they share experiences, get support, and network. This has been most successful in the county of Trans Nzoia, where the researchers found an association of contractors who were lobbying the county government to pay pending bills.

The women's business association in Trans Nzoia County has acted as a source for sharing information on tender opportunities; addressing issues of domestic or gendered violence; saving and loans associations for women tenders to access quick finance; and collective pressure groups on the government on issues affecting women's economic empowerment. These efforts have led to a higher success rate among WLBs gaining public procurement bids. Of WLBs in Trans Nzoia County that has submitted bids, **60%** were awarded tenders - a significant difference from the national average.

07

Good practices



7. Good practices

The research revealed several examples of good practices with potential for replication, such as public procurement bodies that are mandated to focus on gender; positive legal frameworks, which can be used to advocate and ensure that women have equal opportunities in procurement tendering; e-procurement systems, which promote greater transparency in the entire procurement process; business development support; and access to capital.

These practices have helped to promote greater resources and opportunities for WLBS, but certain considerations, as discussed over the next few pages, should be taken to improve their implementation and truly offer more opportunities for WLBS in public procurement bidding.

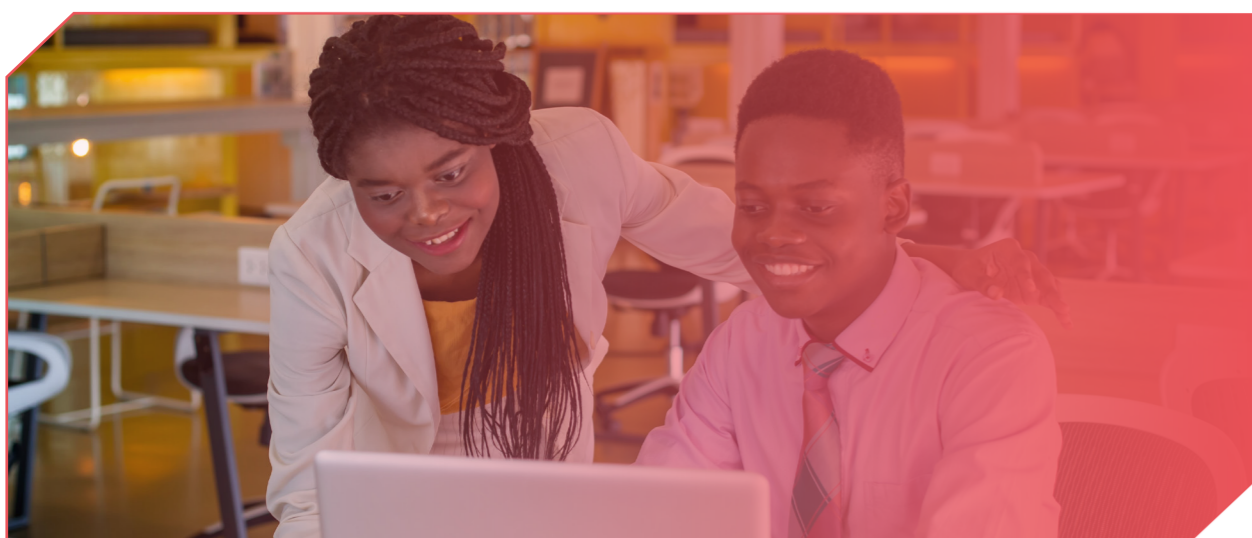


Image Source: Envato Elements



7.1

Public procurement bodies with gender focus

Government procurement bodies, in certain instances, are mandated to focus on gender and promote the involvement of WLBs. In Tanzania, the procurement body is mandated to focus on gender through a Women Participation Unit (WPU)²², which exists within the Ministry of Works and Transport.

In 2021/2022, over **USD 1.5 billion** was allocated for development projects in infrastructure and transport.

Over **90 per cent** of the contracts which have been awarded to special groups come from work-related activities.

The WPU works to provide training to women across the country, especially on how to access road works opportunities, especially with regards to registering, submitting documents, and contract management.

This has been done in coordination with other agencies under the ministry including Tanzania National Roads Agency (TANROAD) and Tanzania Rural and Urban Roads Agency (TARURA).

At the local level in Uganda, the Kampala Capital City Authority (KCCA)²³ has, since 2015, initiated support for low-income women in the city by reserving certain contracts explicitly for vulnerable groups. By July 2022, the entity had spent approximately **6%** of its total procurement budget on contracts



Image Source: AFIC - Interview with the Chairperson Gender committee, Mbale district

with vulnerable groups. This promoted participation and has benefited some businesses in Kampala, for example, women offering cleaning services around the city.

Also in Uganda, there are local contracting associations which support women.

For example, the Gulu Contractors Association (GULCA) deliberately identifies and promotes women in business, providing them with technical support in identifying and completing bidding documents.

The activities of these institutions demonstrate how governments can integrate gender considerations into public procurement, but data-driven impact assessments need to be undertaken to evaluate their effectiveness at improving opportunities for WLBs in public procurement.

²² Taking the Use of Labour Based Technology to Scale, establishment of the national framework, programme document (Dec 2003) Ministry of Works, Tanzania.

²³ <https://www.kcca.go.ug/>

7.2

Legal frameworks

In addition to public institutions, legal frameworks play a role in promoting the opportunities that WLBs have in public procurement. In Kenya, high-level political commitments addressing women's participation in accessing government procurement opportunities have resulted in the legislation and enactment of the Public Procurement and Asset Disposal Act (PPDA) of 2015 and subsequent PPDA Act Regulations of 2020.

The 2015 Act and 2020 Regulations emphasise reserved and preferential tenders targeting women, youth, and PWDs. Procuring entities are legally required to reserve **30%** of tender values to these groups.

Through Cap 30 of the Ugandan PPDA Act, government entities are encouraged to reserve certain works and services to be provided by a targeted group.

This offers a legal opportunity for registered WLBs to engage with public procurement contracts.

These laws have the potential for promoting public procurement bidding opportunities, but, as discussed in Section 2.3 Relevant Legal Framework, they need to be more thoroughly enforced and have specific reservations for WLBs.



7.3

E-procurement systems

All five of the countries featured in this research have or are developing e-procurement systems, and many have publication portals which are meant to promote greater transparency in the entire procurement process.

These e-procurement systems have the potential to make public procurement more transparent and efficient, thereby reducing corruption which is a major barrier to WLB participation in public procurement. But there are certain risks associated with the shift towards e-procurement systems.

For example, the research found that while Tanzania's e-procurement system, TANEPS, has the potential to offer a wide range of opportunities to women, especially in levelling the playing field and reducing corruption risk, it also excludes some of the women who do not have access to a computer, internet or the necessary digital skills to use the portals, thereby widening the gender

digital divide. **25%** of Tanzanian women who participated in the research survey stated that the procurement system is complex. Research participants in Rwanda also expressed concerns about UMUCYO, the e-procurement system, based on the gender gap in digital capabilities.

Therefore, although e-procurement systems can increase transparency and efficiency in public procurement, the gendered digital divide must be considered in how they are implemented and the resources that businesses are offered, such as through training or eGP support centres.

Image Source: AFIC - Focus Group Discussion with Women contractors at UNABCEC offices, Kampala



7.4

Business development

For instance, the organisation Her Hustle in Kenya has initiated 'She-Means Business' to facilitate digital business growth, particularly after the COVID-19 pandemic. In 2021, Her Hustle trained 4,000 young women in businesses²⁴.

The Uganda Women Entrepreneurship Programme (UWEP)²⁵ is an initiative to improve access to financial services for women and equip them with skills for enterprise growth, value addition, and marketing of their products and services.

These activities promote WLBS' development, which will ideally make them more competitive for public procurement bids.

In Rwanda, financial institutions offer special services to WLBS. For instance, the Business Development Fund (BDF) in Rwanda was founded in 2011 as a subsidiary of the Development Bank of Rwanda. Among its objectives is to ease access to finance for women through

the provision of a collateral guarantee. The BDF can provide loan guarantees of up to **USD 500,000** in the agricultural sector and **USD 300,000** in other sectors²⁶.

Survey results found that **70%** of WLBS that accessed loans used BDF for collateral guarantees. Also in Rwanda, Duterimbere IMF PLC is a local community development micro-finance institution with a mission is to provide financial and non-financial services tailored to low-income entrepreneurs, primarily women²⁷.

Additionally, the Bank of Kigali has a product called Zamuka Mugore which provides collateral-free loans of up to **USD 1000** to women²⁸.

²⁴ <https://herhustle.co.ke/service/she-means-business/>

²⁵ <https://mglsd.go.ug/uwep/>

²⁶ Business Development Fund (2021), Brief Background about BDF. <https://www.bdf.rw/bdfeng/bdf-background/>

²⁷ DUTERIMBERE IMF PLC". Duterimbere IMF PLC's (2022), Mission, Vision and Objectives. <https://www.duterimbereimf.co.rw/mission/>

²⁸ Bank of Kigali (2020), Bank of Kigali launches Zamuka Mugore a woman-centred product that aims at empowering the underserved Rwandan women who have been in business for at least one year with an approved business model. <https://bk.rw/media/new-loan-plan>

7.5

Collaborating with international organisations

Many international organisations such as UN bodies and aid agencies have focused on developing and empowering WLBs, with a view to improving gender equality outcomes.

In Ethiopia, the project *Accelerating Progress Toward the Economic Empowerment of Rural Women*²⁹ has contributed to the fight for gender equality and the advancement of female entrepreneurs in the labour force in Ethiopia; impact evaluation data shows that over 3 years, firms that participate in the World Bank's Women Entrepreneurship Development Project (WEDP) have grown incomes by **40.77%** relative to a control group, (compared to a 5-year target of **50%**) and grown employment in their firms by **55.73%** (compared to a 5-year target of **30%**)³⁰.

Additionally, through the World Bank's Women Entrepreneurship Development Project (WEDP) in Ethiopia, more than **20,000** small-scale WLBs have taken loans and over **26,000** participated in business training within the project³¹.

Projects funded and managed by international organisations have focused on advancing the rights and economic empowerment of women, but they could also focus directly on creating more opportunities for WLBs in public procurement.

As mentioned in Section 2.2, the Government of Ethiopia is collaborating with UN Women

to revise the national public procurement proclamation to create more opportunities for WLBs to compete and win tenders.

As the legal frameworks in all of the countries are not adequate in terms of specifically guaranteeing procurement opportunities to WLBs, the collaboration between the Government of Ethiopia and UN Women may prove a productive model in terms of how international organisations can be involved in promoting opportunities for WLBs through legal reform.

²⁸ The project is being managed by UN Women, in partnership with the Food and Agriculture Organisation (FAO), International Fund for Agricultural Development (IFAD) and the World Food Programme (WFP).

²⁹ Caroline Dunn, 2020, From Poverty to Empowerment: Female Entrepreneurship in Ethiopia. <https://www.borgenmagazine.com/female-entrepreneurship-in-ethiopia/>

³⁰ Ibid. This source mentions a lower figure of trainees and beneficiaries of loans. WEDP current figures indicate the figures have increased and matches the one mentioned above.

08

What we can recommend



8.

Recommendations

Based on the analysis presented in the report, stakeholders in each country as well as international institutions can take steps to ensure that women and WLBs are afforded greater opportunities in winning and benefiting from public procurement.

Offering WLBs greater public procurement opportunities requires systematic change through government action; without such reforms, all other actions will be redundant. The following pages contain a series of policy reforms that would promote greater opportunities for WLBs in public procurement bidding.

As the lead stakeholders who have the clout to make changes in the system include political leaders and government officials, the business community, and international organisations, this section will focus on recommendations for these groups.

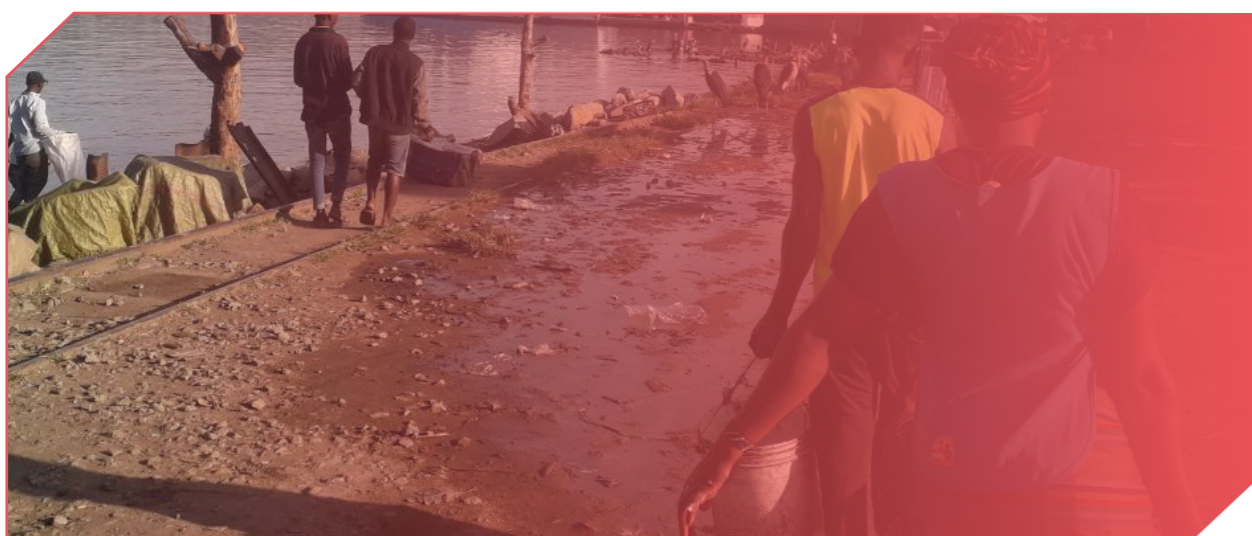


Image Source: AFIC



8.1.1

Public procurement regulators should establish a legal definition of WLBs

A definition of WLBs, as noted in Section 2.1, has been developed at the international level. But WLBs remain poorly defined at the national level. In Kenya and Tanzania, the definition of WLBs is limited/inadequate and in Uganda, Ethiopia, and Rwanda, there is no legal definition of WLBs.

This hinders any efforts to garner data for analysis on the state of WLBs and to target this group for reforms that would increase their opportunities in public procurement bids.

As was done in Kenya through Executive Order 2 of 2018, there must also be monitoring mechanisms in place to ensure that WLBs are actually women-led and not just operating as such in name only in Uganda, Ethiopia, and Rwanda.



8.1.2

Public procurement regulators should Disaggregate Procurement Data

Gender disaggregated data is an essential tool for improving the participation of women-led businesses in public procurement. It allows for a more nuanced understanding of the specific challenges faced by women-led businesses and can help design targeted interventions that address these challenges and lead to more equitable access to public procurement opportunities and increased economic opportunities for women-led businesses.

Governments of Kenya, Uganda, Tanzania, Ethiopia and Rwanda should consider the following ways in which gender disaggregated data can be used to improve the participation of women-led businesses in public procurement:

Identifying Barriers: Gender disaggregated data can be used to identify the specific barriers

that women-led businesses face in accessing public procurement opportunities.

For example, it can reveal disparities in access to financing, access to information about procurement opportunities, or discrimination in the selection process.



Image Source: Unsplash - Photograph by wocintechchat

Targeted Outreach: Once the barriers have been identified, gender disaggregated data can be used to design targeted outreach programs that address the specific needs of women-led businesses.

For example, targeted training programs can be developed to help women-led businesses navigate the procurement process, or targeted financing programs can be developed to address the financing gap.

Measuring Progress: Gender disaggregated data can be used to track progress in improving the participation of women-led businesses in public procurement and gender parity.

This can help measure the effectiveness of specific interventions and identify areas that still require attention.

8.1.3

Reduce tax obligations for formalised WLBs

Many WLBs cannot take part in public procurement because they are not formally registered. The research found that WLBs are disincentivized from formalising due to high tax obligations and onerous tax filing processes. Respective Governments of Kenya, Uganda, Tanzania, Ethiopia and Rwanda should consider reforms in the tax code could give a special privilege to WLBs by reducing the amount they must pay in taxes and the amount of paperwork that their taxes require.

The Kenya Revenue Authority (KRA) exempts persons living with disability (PWDs) from paying income taxes, which includes women with disabilities who are business owners.

It was found that a significant proportion of women with disabilities who own/run businesses do not know their tax exemption status, thus reducing their margins.

Lessons from this tax mechanism exemption initiative could inform governments how to implement such a mechanism for WLBs in general, especially in their early stages, before they are established and profitable.

Such reduced tax obligations would ideally lead to more WLBs becoming formalised and becoming eligible to take part in public procurement contracts.

8.1.4

Increase access

To information on public procurement opportunities, including making e-procurement systems more accessible

E-procurement systems have been a tool for promoting transparency, improving efficiency, and reducing the administrative burden in the procurement cycle and are progressively being developed across the study countries. But they can be cumbersome to use, especially for smaller businesses which employ those with lower educational levels.

These digital procurement systems should therefore be designed to be user-friendly and with international standards in mind, such as the Open Contracting Data Standard³¹ and the Open Contracting for Infrastructure Data Standard developed by the Open Contracting Partnership and CoST.

Implementation of e-procurement systems must also be accompanied with training for WLBs on use of the

these systems and where to find relevant information.

Conscious design and training for e-procurement systems as well as increased computer and internet access at local government offices would improve digital access and the ability of WLBs to use e-procurement systems more successfully in bidding and managing contracts.

³¹ <https://standard.open-contracting.org/latest/en/>

8.1.5

Strengthen legal frameworks and the enforcement of laws

As none of the countries has a legal framework explicitly addressing access to public contracts for women-led businesses, they would benefit from legal reforms that ensure the inclusion of WLBs in the public procurement process.

Kenya, Tanzania, and Uganda have laws requiring the allocation of tenders to special interest groups, which include women, but these laws are still insufficient.

For instance, AGPO in Kenya has not led to more WLBs successfully winning and managing public contracts as the laws are poorly enforced and WLBs must compete

with other special groups, mainly youth and PWDs to gain AGPO contracts.

In order to ensure that they are afforded access to public procurement opportunities, legal frameworks in Kenya, Tanzania, and Uganda should explicitly reserve a quota of contracts going to WLBs.



8.1.6

Reduce opportunities for corruption and discrimination in the procurement sector

Policymakers and public officials must also investigate and take action against corruption and discrimination in public procurement, a huge issue that disproportionately affects women. Decisions regarding bid allocation should be made public and accessible to everyone, which would allow for public monitoring of the process.

Additionally, corruption harms competition and limits the effectiveness of public procurement generally, but it is specifically threatening to women because of demands of sexual extortion that are often required to win procurement bids.

Sexual exploitation not only harms victims directly but creates an environment of fear, where women

do not seek contracts out of fear that they will be sexually exploited. Corrupt practices and especially those involving sexual exploitation, therefore, need to stop in order to protect the rights of women and to promote greater WLB involvement in public procurement contracting.

For instance, in Ethiopia, it was proposed that the Federal Ethics and Anti-Corruption Commission could



Image Source: AFIC - Interview with the Procurement Officer, Mbale district

conduct an integrity assessment based on the methodology defined by Transparency International³² on the procurement sector and in particular on corruption-related challenges faced by WLBs.

Such an initiative could be pursued in all countries. Additionally, the relevant public procurement authority in each study country could also

be tasked with implementing and publishing a complaints methodology, providing for strong sanctions against unprofessional officials reported and proven to be corrupt in public procurement.

³² <https://www.transparency.org/en/national-integrity-system-assessments>

8.1.7 Strengthen gender focus of procurement agencies

As discussed in Section 6.1, there are examples of units in procurement agencies which are mandated to focus on gender and promote the involvement of WLBs in public contracting.

It is recommended that similar units are also created and replicated in other countries. Additionally, training and capacity building on Gender Responsive Procurement (GRP) should be conducted for staff of the procurement agencies across all

the study countries. This will help in improving and strengthening the procurement agencies as well as improve procurement opportunities for women.



Image Source: AFIC - Women and children fetching water at a borehole maintained by a woman owned business in Mbale



8.1.8 Provide training for WLBs on public procurement

Most of the WLBs, particularly the small scale/informal enterprises do not have the technical capacity to successfully complete public procurement bids.

There are many instances of women's business associations (see Section 5.1) and government business development services (see Section 5.2) offering development training and networking opportunities to WLBs.

But these services are not necessarily organised or evaluated in a systematic manner.

building are more effective. Additionally, business development trainings rarely focus on public procurement.

The women's business associations and government business development services in the study countries should therefore focus on systematically designing and evaluating trainings that focus on public procurement opportunities for WLBs.



Image Source: AFIC - PPDA Workshop on WLBs

8.1.9 Increase access to finance for WLBs

Greater access to capital through grants, loans, and credit for WLBs would allow these businesses to formalise and grow to a point where they would be able to successfully compete for public contracts and have the capacity to properly manage them.

However, limited access to finances prevents WLBs from participating in government contracts - both in successfully bidding in the first place, and then managing these if they are successful, especially given high instances of delayed payments.

Governments in the study countries should therefore offer specific credit facilities to WLBs and ensure that payments are not delayed to support the financial capabilities of WLBs.

Additionally, Financial Institutions should reduce collateral requirements to enable more WLBs to easily access credit facilities.



Image Source: AFIC - Interview with Procurement officer, Mbale city



Image Source: AFIC

8.1.10 Monitor and evaluate progress

Governments and international organisations should monitor and evaluate progress in promoting opportunities for WLBs in public procurement contracting.

This can include tracking the number of contracts awarded to WLBs using disaggregated data, assessing the impact of policy changes, and identifying areas for improvement.



Image Source: AFIC - Interview with Uganda Association of Consulting Engineers, Executive Director

8.2

International organisations

1 Promote Opportunities for WLBs in Public Procurement through Affirmative Action

International development organisations such as the World Bank and AfDB spend large sums of money on implementing procurement projects.

According to the World Bank's procurement database, in the fiscal year 2021, the Bank awarded over **4,000 contracts** for goods, works, and services in Africa, with a total value of approximately **\$7.8 billion**.

These contracts were awarded to a wide range of suppliers, including small and medium-sized enterprises (SMEs), multinational corporations, and other organizations³³.

To promotion opportunities for WLBs, the World Bank and AfDB can establish gender-specific procurement policies

that encourage the inclusion of WLBs in public procurement. These policies can include gender-specific procurement targets and preference margins, which provide an edge to WLBs in the bidding process.

Additionally, they can encourage government and other public entities to adopt gender responsive procurement practices which includes promoting gender sensitive criteria and procedures that take into account the unique challenges faced by women.

Another opportunity for promoting the participation of WLBs in public procurement is through affirmative action. Affirmative action can be a powerful tool to promote opportunities and can help to create a more level



Image Source: Unsplash - Photograph by wocintechchat

playing field for women-led businesses (WLBs) in public procurement. When these organisations fund development projects, they often require that the projects use public procurement to procure goods and services. In such cases, the affirmative action policies can also apply to the procurement process of these projects.

International organisations can use their funding and technical assistance to ensure that the procurement processes for the projects they fund include affirmative action policies to promote opportunities for women-led businesses (WLBs).

They can advocate for the adoption of legal frameworks that require the inclusion of WLBs in procurement

processes for projects they fund, and also encourage the establishment of procurement bodies with a gender focus.

By promoting affirmative action in the procurement processes of the projects they fund, international organisations can help to create more inclusive and equitable procurement systems that benefit WLBs.

This, in turn, can help to support the development of these businesses and contribute to broader development objectives, such as poverty reduction and economic growth.

³³ <https://projects.worldbank.org/en/projects-operations/procurement/debarred-firms>

2 Develop capacity-building programmes

International organisations can support women-led businesses (WLBs) in public procurement through capacity-building programs that provide training, technical assistance, and other forms of support to help WLBs build the skills and knowledge they need to successfully participate in public procurement processes.

These capacity-building programs can take a number of different forms, depending on the needs of the WLBs and the specific context in which they are operating.

Some examples of capacity-building programs that international organisations can support include:

- 1. Training and technical assistance:** Providing WLBs with training and technical assistance on various aspects of public procurement, including bidding processes, contract management, quality control, and financial management.
- 2. Business development services:** Supporting the development of WLBs through business development services, such as coaching and mentoring, market research, and access to finance.
- 3. Access to information:** Ensuring that WLBs have access to up-to-date information on procurement opportunities, including tender notices, bid evaluation criteria, and contract award decisions.
- 4. Support for networking and collaboration:** Encouraging WLBs to collaborate and network with each other and with other stakeholders in



Image Source: AFIC - PPDA Workshop on WLBs

the procurement process, including procurement agencies, government officials, and other businesses.

- 5. Support for legal and policy reforms:** Advocating for legal and policy reforms that promote greater opportunities for WLBs in public procurement, including the development of legal frameworks that recognize and support the participation of WLBs in procurement processes

By providing this kind of support, international organisations can help WLBs build the skills and knowledge they need to participate in public procurement processes and create more equitable and inclusive procurement systems that benefit all stakeholders.

09

Conclusion



9. Conclusion

In conclusion, this research study emphasises the need to make public procurement more transparent, functional, and equitable to benefit everyone.

The study sheds light on the status of women-led businesses (WLBs) in public procurement contracting in Ethiopia, Kenya, Rwanda, Tanzania, and Uganda, and identifies the challenges and opportunities faced by WLBs in each country. The study also presents best practices that are being implemented to create greater opportunities for WLBs.

To address the challenges faced by WLBs in public procurement contracting, political leaders and government officials must develop legal frameworks that promote opportunities for WLBs, reduce tax obligations, and make e-procurement systems more accessible.

Additionally, it is essential to strengthen legal frameworks, reduce corruption, and increase the gender focus of procurement agencies.

The business community can also support WLBs by offering organized business development training and financial opportunities.

Finally, international organizations can help by strengthening national legal frameworks and providing capacity-building programs that align with international standards of public procurement bidding.



By implementing these recommendations, we can work towards creating a more inclusive and equitable procurement system that benefits both businesses and society.

The findings and recommendations of this study provide a starting point for further research and action to ensure that women-led businesses can access public procurement contracts and contribute to economic growth and development.



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